



Attock

Attock Petroleum Limited



Interim Report & Financial Statements

For the Six Month Period Ended December 31, 2016



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COMPANY INFORMATION

Directors

Mr. Laith G. Pharaon

Chairman

(Alternate Director - Mr. Iqbal A. Khwaja)

Mr. Wael G. Pharaon

(Alternate Director - Mr. Rehmat Ullah Bardaie)

Mr. Abdus Sattar

Mr. Babar Bashir Nawaz

Mr. Sajid Nawaz

Mr. Mohammad Raziuddin

Mr. Shuaib A. Malik

Chief Executive

Audit Committee

Mr. Abdus Sattar

Chairman

Mr. Babar Bashir Nawaz

Mr. Mohammad Raziuddin

Human Resource & Remuneration Committee

Mr. Babar Bashir Nawaz

Chairman

Mr. Shuaib A. Malik

Mr. Iqbal A. Khwaja

(Alternate Director to Mr. Laith G. Pharaon)

Company Secretary / CFO

Mr. Rehmat Ullah Bardaie

Auditors

A. F. Ferguson & Co.

Chartered Accountants

Bankers

Allied Bank Limited

Askari Bank Limited

Bank Alfalah Limited

Habib Bank Limited

MCB Bank Limited

United Bank Limited

Share Registrar

THK Associates (Pvt.) Limited

1st Floor, 40-C, Block-6,

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Legal Advisor

Ali Sibtain Fazli & Associates

Registered Office

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Website: www.apl.com.pk



DIRECTORS' REVIEW

IN THE NAME OF ALLAH, THE MOST BENEVOLENT, THE MOST GRACIOUS

The Board of Directors of Attock Petroleum Limited takes pleasure in presenting the report on the performance of the Company together with the auditor's reviewed financial statements for the six months period ended December 31, 2016.

Financial Performance

During the period under review, the Company registered net sales revenue of Rs. 61,495 million as compared to net sales of Rs. 60,842 million during the same period last year. The reduced prices of petroleum products within the Country subsequent to decreased international oil prices along with other factors has led to an overall increase in sales volume of the industry. Similarly, APL also recorded an increase in sales volume by 6% which was achieved as a result of sustainable marketing strategies formulated by the management. Consequently, the Company earned profit after tax of Rs. 3,157 million which reflected an increase of 92% (December 2015: Rs. 1,641 million). This significant growth is mainly attributable to effective utilization of available resources and efficient management of supply chain implemented through consumer oriented business model. Profit also increased due to reversal of provision of other charges in accordance with the decision of the Supreme Court whereby the amendments in Workers Welfare Fund Ordinance 1971 through Finance Acts 2006 and 2008 have been declared unconstitutional. The results translate into earnings per share of Rs. 38.06 (December 2015: Rs. 19.78).

Operational Performance

The management is consistently making efforts to sustain and increase the market presence and steering the Company towards a path of continuous progression. Recently, the Company has increased its market share of the Premier Motor Gasoline (PMG) and in order to meet the increased demand, imports PMG on regular basis with scheduled cargoes every month. In light of unavailability of Hi-Octane Blending Component (HOBC) due to non-production by local refineries, the Company took initiative to fill the market gap of this premium segment and started import of HOBC to meet the local requirement. APL is steadfast in its role as an oil marketing company to provide superior quality products and unmatched services to its different and prestigious client base thereby contributing to the growing economy of the Country.

As a part of its vision, the Company has established itself as a prominent name within the market. To further strengthen this, the Company is targeting prime locations in different regions to set up state-of-the-art retail outlets. Retail development is being focused on vigorously by the management and as a result, the Company has commissioned a total of 583 retail outlets as at December 31, 2016.



Future Outlook

The Company's vision to create itself as a market leader relies on synergy of experienced yet innovative management, seamless operations and effective marketing. Development of infrastructure remains a key factor to transform this vision into tangible results. For this purpose, land is being acquired and bulk oil terminals are being established at various locations across the Country to grow a solid network of supply chain and build upon the efficiencies achieved by an improved infrastructure thereby delivering the promise of fueling the nation's spirit.

Meanwhile, tapping in to different new ventures including establishment of Fuel Farm at the New Islamabad International Airport shall offer increased revenue generation along with enhancement of consumer base. The management is working tirelessly to make the Company stand out from its competitors by capitalizing upon its strengths and exploring new opportunities thus continuously growing despite the challenges. The Company is well prepared to overcome any difficulties which may arise in future and reap maximum benefits in return by transforming them into opportunities.

The Company is focusing to improve its lubricants segment and started marketing of internationally recognized lubricant brand which shall add to the Company's expertise and at the same time yield strategic and financial benefits by creating a strong brand presence and market visibility.

Acknowledgement

The Board, on behalf of all of the directors, shareholders and employees of the Company, would like to put on record its sincere gratitude to respected Chairman Attock Group of Companies, Dr. Ghaiht R. Pharaon who breathed his last on January 06, 2017. It was his vision, guidance, trust and confidence which enabled a moderate business set up to become one of the leading business groups of the country and thereby contributing significantly towards economic development of the country. May Allah rest him in eternal peace and give fortitude and courage to his family to bear this loss. Ameen

The Board would like to thank and appreciate its employees, customers and strategic partners for their dedication, commitment and contributions. The Board also extends its gratitude to Government authorities, suppliers and shareholders for their unwavering support and cooperation.

On behalf of the Board

SHUAIB A. MALIK
Chief Executive

Rawalpindi
January 27, 2017



مستقبل کا نقطہ نظر:

کمپنی کا اپنے آپ کو مارکیٹ لیڈر کے طور پر رونما کرنے کا وژن تجربہ کار مگر اختراعی انتظامیہ، ہموار آپریشنز اور موثر مارکیٹنگ پراسٹوار ہے۔ اس وژن کو ٹھوس نتائج میں بدلنے کے لئے انفراسٹرکچر کی ترقی ایک کلیدی عنصر ہے۔ اس مقصد کے لئے، زمین حاصل کی جا رہی ہے اور ملک کے مختلف مقامات پر تیل کے بڑے ٹرمینلز قائم کیے جا رہے ہیں تاکہ مربوط سپلائی کا ایک مضبوط نیٹ ورک فروغ پاسکے اور اس بہتر انفراسٹرکچر سے فائدہ اٹھایا جاسکے جس کے ذریعے قوم کو ایندھن کی فراہمی کے وعدے کی تکمیل ہو سکے گی۔

اسی دوران، مختلف نئی مہمات کی تلاش جس میں نئے اسلام آباد انٹرنیشنل ایئر پورٹ پر فیول فارم کا قیام شامل ہے، ریونیو کی پیداوار میں اضافے کے ساتھ ساتھ صارفین میں اضافے کا موجب ہوگا۔ انتظامیہ انتھک کام کر رہی ہے کہ کمپنی اپنی قوت سے فائدہ اٹھاتے ہوئے اور نئے مواقع تلاش کرتے ہوئے انڈسٹری سے منفرد مقام حاصل کرے یوں چیلنجز کے باوجود مسلسل فروغ پا رہی ہے۔ کمپنی مستقبل میں رونما ہو سکنے والی کسی بھی مشکلات کو مواقع میں تبدیل کرتے ہوئے اس پر قابو پانے اور اس کے بدلے میں بھرپور فوائد حاصل کرنے کے لئے پوری طرح تیار ہے۔

کمپنی اپنے لبریکٹ شعبہ کے فروغ پر توجہ مرکوز کر رہی ہے اور بین الاقوامی شہرت یافتہ لبریکٹ برانڈ کی مارکیٹنگ کا آغاز کیا ہے جو کہ کمپنی کی مہارت میں اضافہ کرے گا اور بیک وقت ایک مضبوط برانڈ کی موجودگی اور مارکیٹ میں اس کا ظہور اسٹیرٹیجک اور مالیاتی فوائد دے گا۔

اظہار تشکر:

بورڈ، کمپنی کے ڈائریکٹرز، شیئر ہولڈرز اور ملازمین کی جانب سے اٹک گروپ آف کمپنیز کے قابل احترام چیئرمین جناب ڈاکٹر غیث آفرعون کے لئے تشکر کا اظہار کرتا ہے جو 6 جنوری 2017 کو اپنے خالق حقیقی سے جا ملے۔ جناب ڈاکٹر غیث آفرعون کی پیش بینی، رہنمائی اور اعتماد نے ایک میاں روکارو بارکو ملک کا ایک نامور کاروباری گروپ بنایا اور اس کے توسط سے ملکی معیشت کی ترقی میں ایک نمایاں کردار ادا کیا۔ اللہ کریم مرحوم کو جو رحمت میں جگہ عطا فرمائے اور ان کے اہل خانہ کو اس صدمے کو برداشت کرنے کا حوصلہ اور تحمل عطا فرمائے (آمین)

بورڈ اپنے ملازمین، صارفین، سپلائرز اور تزیویریاتی شراکت داران کے تعاون، ان کی پر عزم یکسوئی اور کاوشوں پر ان کا شکریہ ادا کرنا چاہے گا۔ بورڈ حکومتی اتھارٹیز اور شیئر ہولڈرز کا بھی ان کے تعاون اور حمایت پر بے حد ممنون ہے۔

منجانب بورڈ

شعیب۔ اے۔ ملک
چیف ایگزیکٹو

راہ پلینڈی

۲۷ جنوری، ۲۰۱۷ء



ڈائریکٹرز کا جائزہ

شروع کرتا ہوں اللہ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے۔

انک پٹرولیم لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 دسمبر 2016 کو ختم ہونے والی ششماہی مدت کے لئے کمپنی کی کارکردگی پر رپورٹ جمع آڈیٹر سے جائزہ شدہ مالیاتی گوشوارے پیش کرنا باعث مسرت سمجھتے ہیں۔

مالیاتی کارکردگی:

زیر جائزہ مدت کے دوران، کمپنی کی خالص فروخت آمدنی گزشتہ سال اسی مدت کے دوران 60,842 ملین روپے کے مقابلے میں 61,495 ملین روپے ہے۔ بین الاقوامی سطح پر تیل کی قیمتوں میں کمی اور دیگر عوامل کے باعث ملک کے اندر پٹرولیم مصنوعات کی قیمتوں میں کمی سے صنعت کے حجم فروخت میں مجموعی طور پر اضافہ ہوا۔ اسی طرح سے APL کے حجم فروخت میں بھی 06 فیصد اضافہ ہوا جو انتظامیہ کی طرف سے مرتب کردہ پائیدار مارکیٹنگ حکمت عملی کے نتیجے میں حاصل کیا گیا۔ نتیجتاً، کمپنی نے ٹیکس کی ادائیگی کے بعد 3,157 ملین روپے منافع کمایا جو 92 فیصد اضافے کی عکاسی کرتا ہے (دسمبر 2015: 1,641 ملین روپے)۔ یہ خاطر خواہ اضافہ بنیادی طور پر دستیاب وسائل کے موثر استعمال اور سپلائی چین کے موثر انصرام سے منسوب ہے جسے صارفین پر مبنی ماڈل کے ذریعے لاگو کیا گیا۔ منافع میں یہ اضافہ سپریم کورٹ کے فیصلے، جس میں ورکرز ویلفیئر فنڈ آرڈیننس 1971 میں کی گئی ترامیم بذریعہ فنانس ایکٹ 2006 اور 2008 کو غیر آئینی قرار دیا گیا، کے پیش نظر دیگر چارجز کی تنسیخ کے باعث بھی ہوا۔ اسے 38.06 روپے فی شیئر (دسمبر 2015: 19.78 روپے) کی آمدن کے مفہوم میں لایا جاسکتا ہے۔

آپریٹل کارکردگی:

کمپنی مارکیٹ میں اپنی موجودگی کو برقرار رکھنے اور اس میں اضافے کے لئے مسلسل کوشاں ہے اس طرح کمپنی کو مسلسل ترقی کے راستے پر گامزن کیا جاسکتا ہے۔ کمپنی نے حال ہی میں اپنے پری بیئر موٹر گیسو لین (PMG) کے مارکیٹ شیئر میں اضافہ کیا ہے اور بڑھتی ہوئی طلب کو پورا کرنے کے لئے، ہر ماہ مقرر کارگو (مال بردار) کے ساتھ مستقل بنیادوں پر PMG درآمد کر رہی ہے۔ مقامی ری فائینری کی جانب سے غیر پیداواری کی بناء پر ہائی اوکٹین ہلڈنگ کمپونینٹ (HOBC) کی عدم دستیابی کے نقطہ نظر کمپنی نے اس پر بیہیم سیگمنٹ کی مارکیٹ خلاء کو پر کرنے اور مقامی ضروریات کو پورا کرنے کے لئے HOBC کی درآمد شروع کی ہے۔ APL ایک آئل مارکیٹنگ کمپنی کے طور پر اپنے کردار کے لئے پرعزم ہے جو اپنے مختلف اور عزت و وقار کے حامل صارفین کو اعلیٰ معیاری مصنوعات اور بے مثال خدمات فراہم کر رہا ہے جو اس ذریعے سے ملک کی بڑھتی ہوئی معیشت میں مدد و معاون ہے۔

اپنی پیش بینی کے طور پر کمپنی نے از خود مارکیٹ میں ایک نمایاں نام کمایا ہے۔ اسے مزید تقویت دینے کے لئے کمپنی مختلف علاقوں میں اہم مقامات پر جلد ریٹیل آؤٹ لٹس قائم کرنے میں مصروف باعمل ہے۔ انتظامیہ کی جانب سے ریٹیل ڈویلپمنٹ پر پھر پورے توجہ مرکوز کی جا رہی ہے اور نتیجتاً، کمپنی نے 31 دسمبر 2016 تک کل 583 ریٹیل آؤٹ لٹس قائم کئے ہیں۔

**A. F. FERGUSON & CO.****AUDITOR'S REPORT TO THE MEMBERS
ON REVIEW OF INTERIM FINANCIAL INFORMATION*****Introduction***

We have reviewed the accompanying condensed interim balance sheet of Attock Petroleum Limited as at December 31, 2016 and the related condensed interim profit and loss account, condensed interim statement of comprehensive income, condensed interim cash flow statement, condensed interim statement of changes in equity and notes to the financial information for the six-month period then ended (here-in-after referred to as the "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on this interim financial information based on our review. The figures of the condensed interim profit and loss account and condensed interim statement of comprehensive income for three month period ended December 31, 2016 and 2015 have not been reviewed, as we are required to review only the cumulative figures for the six month period ended December 31, 2016.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information as of and for the six month period ended December 31, 2016 is not prepared, in all material respects, in accordance with approved accounting standards as applicable in Pakistan for interim financial reporting.

Chartered Accountants
Islamabad
Date : January 27, 2017

Engagement partner: Asim Masood Iqbal



CONDENSED INTERIM BALANCE SHEET (UNAUDITED)

AS AT DECEMBER 31, 2016

	Note	December 31, 2016	June 30, 2016
		Rupees ('000)	
SHARE CAPITAL AND RESERVES			
Authorised capital			
150,000,000 (June 30, 2016: 150,000,000) ordinary shares of Rs 10 each		1,500,000	1,500,000
Issued, subscribed and paid up capital			
82,944,000 (June 30, 2016: 82,944,000) ordinary shares of Rs 10 each	4	829,440	829,440
Reserves			
Special reserves		143,658	126,411
Revenue reserve			
Unappropriated profits		14,424,010	13,361,315
		15,397,108	14,317,166
NON CURRENT LIABILITIES			
Long term deposits		609,023	626,159
Deferred tax liability		108,411	-
		717,434	626,159
CURRENT LIABILITIES			
Trade and other payables	5	16,290,618	15,466,823
Provision for current income tax		913	115,157
		16,291,531	15,581,980
CONTINGENCIES AND COMMITMENTS			
	7		
		32,406,073	30,525,305



		December 31, 2016	June 30, 2016
	Note	Rupees ('000)	
NON CURRENT ASSETS			
Property, plant and equipment	8	3,303,924	3,011,665
Long term investments in associated companies	10	1,047,832	1,006,633
Other long term investments	11	300,576	401,508
Long term prepayments		42,120	-
Deferred tax asset		-	103,659
		4,694,452	4,523,465
CURRENT ASSETS			
Stores and spares		46,727	45,373
Stock in trade	12	6,152,955	4,836,653
Trade debts	13	9,830,565	7,668,520
Advances, deposits, prepayments and other receivables	14	904,090	2,421,118
Short term investments	15	1,372,548	1,867,894
Cash and bank balances	16	9,404,736	9,162,282
		27,711,621	26,001,840
		32,406,073	30,525,305

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Chief Executive

Director



CONDENSED INTERIM PROFIT AND LOSS ACCOUNT (UNAUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2016

	Note	Three month period ended		Six month period ended	
		December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
		Rupees ('000)		Rupees ('000)	
Sales		37,370,241	39,327,766	76,354,202	79,244,160
Sales tax		(7,377,090)	(9,887,286)	(14,859,114)	(18,402,210)
NET SALES		29,993,151	29,440,480	61,495,088	60,841,950
Cost of products sold		(28,365,577)	(28,085,119)	(57,576,346)	(58,460,445)
GROSS PROFIT		1,627,574	1,355,361	3,918,742	2,381,505
Other income	17	255,673	241,888	480,654	455,116
Operating expenses		(455,339)	(386,695)	(875,450)	(862,987)
OPERATING PROFIT		1,427,908	1,210,554	3,523,946	1,973,634
Finance income	18	279,071	282,714	558,341	585,856
Finance costs	18	(70,172)	(46,192)	(131,725)	(83,494)
Net finance income		208,899	236,522	426,616	502,362
Share of profit of associated companies		22,915	4,547	67,736	13,882
Other charges	19	621,485	(100,350)	462,698	(170,962)
PROFIT BEFORE TAXATION		2,281,207	1,351,273	4,480,996	2,318,916
Provision for income tax	20	(687,528)	(402,000)	(1,324,070)	(678,000)
PROFIT FOR THE PERIOD		1,593,679	949,273	3,156,926	1,640,916
Earnings per share - Basic and diluted (Rupees)		19.21	11.44	38.06	19.78

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2016

	Three month period ended		Six month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees ('000)		Rupees ('000)	
PROFIT FOR THE PERIOD	1,593,679	949,273	3,156,926	1,640,916
Items that will not be reclassified to profit or loss:				
Share of other comprehensive loss of associated companies - net of tax	(5)	(1,532)	(3,384)	(4,739)
Other comprehensive loss for the period	(5)	(1,532)	(3,384)	(4,739)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	1,593,674	947,741	3,153,542	1,636,177

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Chief Executive

Director



CONDENSED INTERIM CASH FLOW STATEMENT (UNAUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2016

Six month period ended

December 31, 2016 December 31, 2015

Rupees ('000)

CASH FLOW FROM OPERATING ACTIVITIES

Cash receipts from customers	59,602,457	63,441,135
Payments for purchase of products and operating expenses	(56,720,636)	(58,613,049)
Other charges received	53,961	46,643
Long term deposits repaid	(17,136)	(5,091)
Income tax paid	(1,226,244)	(767,438)
Cash flow from operating activities	1,692,402	4,102,200

CASH FLOW FROM INVESTING ACTIVITIES

Addition to property, plant and equipment	(457,636)	(124,180)
Proceeds from sale of property, plant and equipment	12,999	1,862
Encashment / (purchase) of short term investments	741,020	(768,536)
Income received on bank deposits, short term and other long term investments	300,761	255,685
Dividend received from associated companies	23,153	15,157
Cash flow from investing activities	620,297	(620,012)

CASH FLOW FROM FINANCING ACTIVITIES

Dividends paid	(2,070,283)	(1,821,026)
Cash used in financing activities	(2,070,283)	(1,821,026)
Effect of exchange rate changes	38	748

INCREASE IN CASH AND CASH EQUIVALENTS

CASH AND CASH EQUIVALENTS AT JULY 1

CASH AND CASH EQUIVALENTS AT DECEMBER 31

242,454	1,661,910
9,162,282	4,865,814
9,404,736	6,527,724

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Chief Executive

Director



CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTH PERIOD ENDED DECEMBER 31, 2016

	Share capital	Special reserves	Unappropriated profit	Total
	Rupees ('000)			
BALANCE AS AT JUNE 30, 2015	829,440	2,826	12,727,539	13,559,805
Total comprehensive income for the six months period ended December 31, 2015:				
Profit for the period	-	-	1,640,916	1,640,916
Other comprehensive loss	-	-	(4,739)	(4,739)
Total comprehensive income	-	-	1,636,177	1,636,177
Transfer to special reserves by associated companies	-	107,992	(107,992)	-
Transaction with owners:				
Final cash dividend @ 220% relating to the year ended June 30, 2015	-	-	(1,824,768)	(1,824,768)
Total transactions with owners	-	-	(1,824,768)	(1,824,768)
BALANCE AS AT DECEMBER 31, 2015	829,440	110,818	12,430,956	13,371,214
Total comprehensive income for the six months period ended June 30, 2016:				
Profit for the period	-	-	2,187,669	2,187,669
Other comprehensive income	-	-	2,443	2,443
Total comprehensive income	-	-	2,190,112	2,190,112
Transfer to special reserves by associated companies	-	15,593	(15,593)	-
Transaction with owners:				
Interim cash dividend @ 150% relating to the year ended June 30, 2016	-	-	(1,244,160)	(1,244,160)
Total transactions with owners	-	-	(1,244,160)	(1,244,160)
BALANCE AS AT JUNE 30, 2016	829,440	126,411	13,361,315	14,317,166
Total comprehensive income for the six months period ended December 31, 2016:				
Profit for the period	-	-	3,156,926	3,156,926
Other comprehensive loss	-	-	(3,384)	(3,384)
Total comprehensive income	-	-	3,153,542	3,153,542
Transfer to special reserves by associated companies	-	17,247	(17,247)	-
Transaction with owners:				
Final cash dividend @ 250% relating to the year ended June 30, 2016	-	-	(2,073,600)	(2,073,600)
Total transactions with owners	-	-	(2,073,600)	(2,073,600)
BALANCE AS AT DECEMBER 31, 2016	829,440	143,658	14,424,010	15,397,108

The annexed notes 1 to 25 form an integral part of this condensed interim financial information.

Chief Executive

Director



December 31, June 30,
2016 2016

Rupees ('000)

5.1 Due to related parties

National Refinery Limited	2,722,585	3,901,770
Attock Refinery Limited	7,063,884	5,694,674
Pakistan Oilfields Limited	7,632	7,387
The Attock Oil Company Limited	3,372	1,537
Attock Sahara Foundation	89	89
Attock Leisure Management Associates	100	-
Workers' profit participation fund	198,686	-
APL Gratuity Fund	11,224	11,224
	10,007,572	9,616,681

5.2 Workers' welfare fund

Balance at beginning of the period / year	661,384	551,095
(Reversal) of workers' welfare fund for prior periods/Charge	(661,384)	110,289
Balance at period / year end	-	661,384

6. LETTER OF CREDIT FACILITY

The Company has entered into arrangements with banks for obtaining letter of credit facility to import petroleum products, spare parts and materials upto a maximum of Rs 8,900 million (June 30, 2016: Rs 8,900 million). The facility is secured against first pari passu charge of Rs 11,867 million (June 30, 2016: Rs 11,867 million) on all present and future current and fixed assets of the Company (excluding land and building). The unavailed facility at December 31, 2016 was Rs 7,501 million (June 30, 2016: Rs 6,546 million). The facility will expire on January 31, 2017.

December 31, June 30,
2016 2016

Rupees ('000)

7. CONTINGENCIES AND COMMITMENTS

(a) CONTINGENCIES

(i) Corporate guarantees and indemnity bonds issued by the Company to the Collector of Customs.	1,590,215	1,789,707
(ii) Guarantees issued by bank on behalf of the Company.	1,275,239	1,279,739
(iii) The Company's share of contingencies of associated companies based on financial information of associated companies as at September 30, 2016 (June 30, 2016: March 31, 2016)	85,081	97,959



	December 31, 2016	June 30, 2016
	Rupees ('000)	
(b) COMMITMENTS		
(i) Capital expenditure commitments (Including Rs 442,011 thousand (June 30, 2016: Rs 815,612 thousand) relating to joint operations as disclosed in note 9)	1,024,694	1,164,381
(ii) Commitments for import of petroleum products against letter of credit facility	1,399,204	2,354,149
(iii) Commitments for rentals of assets under operating lease agreements	1,768,402	1,625,348
(iv) The Company's share of commitments of associated companies based on financial information of associated companies as at September 30, 2016 (June 30, 2016: March 31, 2016)		
- Capital expenditure commitments	102,694	256,969
- Outstanding letters of credit	177,682	94,183
	Six month to December 31, 2016	Year ended June 30, 2016
	Rupees ('000)	

8. PROPERTY, PLANT AND EQUIPMENT

Opening net book value	2,135,066	2,156,799
Additions	345,292	297,738
Disposals		
Cost	(27,545)	(17,675)
Depreciation	27,154	16,376
	(391)	(1,299)
Depreciation charge	164,986	318,172
Closing net book value	2,314,981	2,135,066
Capital work in progress - note 8.1	988,943	876,599
	3,303,924	3,011,665

8.1 Capital work in progress include Rs 213,386 thousand (June 30, 2016: Rs 41,605 thousand) being Company's share in joint operation.

9. INTEREST IN JOINT OPERATION

In March 2015 the Company entered into a joint arrangement with Pakistan State Oil (PSO) for establishment, operation and maintenance of a fuel farm and to operate and maintain the Hydrant Refueling System at the New Islamabad International Airport. Each party has a 50% share in the joint arrangement and it is an un-incorporated joint arrangement. The Company has classified this arrangement as a joint operation. Currently the development of fuel farm and refueling system is in progress. The Company has recognised its share of jointly held assets, liabilities and expenses of the joint operation under the appropriate heads.



**Six month to
December 31,
2016** Year ended
June 30,
2016
Rupees ('000)

10. LONG TERM INVESTMENTS IN ASSOCIATED COMPANIES
Movement during the period / year

Balance at beginning of the period / year	1,006,633	892,123
Share of profit of associated companies	93,302	93,003
Impairment (loss) / reversal related to investment in National Refinery Limited	(25,566)	41,146
	67,736	134,149
Share of other comprehensive loss of associated companies	(3,384)	(4,482)
Dividend from associated companies	(23,153)	(15,157)
Balance at end of the period / year	1,047,832	1,006,633

	December 31, 2016		June 30, 2016	
	Holding %	Amount Rs ('000)	Holding %	Amount Rs ('000)
10.1 The Company's interest in associated companies is as follows:				
National Refinery Limited - Quoted	1	625,938	1	600,374
Attock Refinery Limited - Quoted	1.68	560,177	1.68	520,268
Attock Information Technology Services (Private) Limited - Unquoted	10	17,526	10	16,234
Carrying value on equity method		1,203,641		1,136,876
Less: Impairment loss - National Refinery Limited - note 10.2		(155,809)		(130,243)
		1,047,832		1,006,633

10.2 Impairment loss is based on a valuation analysis carried out as at June 30, 2016 by an external investment advisor engaged by the Company. The recoverable amount has been estimated based on a value in use calculation.

**December 31,
2016** June 30,
2016
Rupees ('000)

11. OTHER LONG TERM INVESTMENTS

Held to maturity investments in Pakistan Investment Bonds (PIBs) - at amortized cost - note 11.1	400,348	401,508
Less: current portion shown under short term investments - note 15	(99,772)	-
	300,576	401,508



11.1 This represents amount invested in PIBs at interest rate of 11.25% to 11.50% per annum (June 30, 2016: 11.25% to 11.50% per annum) having maturity of 3 to 5 years and are due for maturity in the year 2017 to 2019.

12. STOCK IN TRADE

Stock in trade includes the Company's share of pipeline stock amounting to Rs 2,163,232 thousand (June 30, 2016: Rs 2,517,067 thousand) and Rs 493,557 thousand (June 30, 2016: Rs 616,624 thousand) held by Pak-Arab Pipeline Company Limited and Pak-Arab Refinery Limited respectively.

December 31, June 30,
2016 2016
Rupees ('000)

13. TRADE DEBTS

Trade debts include following balances due from related parties (unsecured):

Attock Gen Limited	6,123,595	4,936,081
Pakistan Oilfields Limited	36,076	23,231
Attock Cement Pakistan Limited	14,030	12,287
National Refinery Limited	911	189
Attock Refinery Limited	109	98
	6,174,721	4,971,886

14. ADVANCES, DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

Advances to suppliers and employees	89,690	24,793
Trade deposits and short term prepayments	103,651	73,657
Current account balances with statutory authorities	26,560	1,650,167
Accrued income on bank deposits	6,881	19,446
Price differential claim receivable from the Government	28,528	28,528
Receivable from oil marketing companies under freight pool	487,474	559,400
Receivable from Joint Operator - note 9	188,752	39,694
Due from related parties - unsecured		
Attock Information Technology Services (Private) Limited	1,047	-
Attock Cement Pakistan Limited	35	-
Workers' Profit Participation Fund	-	53,961
Less: Provision for doubtful receivables	(28,528)	(28,528)
	904,090	2,421,118

15. SHORT TERM INVESTMENTS

Held to maturity investment in treasury bills - at amortized cost	755,564	1,504,423
Investment in mutual funds - at fair value through profit or loss	517,212	363,471
Current portion of investment in PIBs - note 11	99,772	-
	1,372,548	1,867,894



December 31, June 30,
2016 2016
Rupees ('000)

16. CASH AND BANK BALANCES

Cash in hand	5,055	5,005
Bank balances		
On short term deposits	7,900,000	7,900,000
On interest / mark-up bearing saving accounts (includes US \$ 101 thousand; June 30, 2016: US \$ 102 thousand)	1,447,603	1,208,286
On current accounts (includes US \$ 153 thousand; June 30, 2016: US \$ 153 thousand)	52,078	48,991
	9,399,681	9,157,277
	9,404,736	9,162,282

17. OTHER INCOME

	Three month period ended		Six month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees ('000)		Rupees ('000)	
Commission and handling income	202,263	187,413	376,728	361,980
Other income	53,410	54,475	103,926	93,136
	255,673	241,888	480,654	455,116

18. FINANCE INCOME AND COSTS
Finance income

Income on bank deposits, short term and other long term investments	211,131	241,112	432,938	491,439
Mark-up on delayed payments	67,940	41,602	125,403	94,417
	279,071	282,714	558,341	585,856

Finance cost

Bank charges	6,069	6,928	13,210	13,194
Mark-up on delayed payments	64,103	39,264	118,515	70,300
	70,172	46,192	131,725	83,494
Net finance income	208,899	236,522	426,616	502,362

19. OTHER CHARGES

Workers' profit participation fund (Reversal) of workers' welfare fund for prior periods/Charge for the period	82,998	73,112	198,686	124,558
	(704,483)	27,238	(661,384)	46,404
	(621,485)	100,350	(462,698)	170,962

20. PROVISION FOR TAXATION

Current income tax charge	456,000	409,000	1,112,000	699,000
Deferred income tax charge/(credit)	231,528	(7,000)	212,070	(21,000)
	687,528	402,000	1,324,070	678,000



21. FAIR VALUE MEASUREMENT

The carrying values of financial assets and liabilities approximate their fair values. The table below analyzes financial assets that are measured at fair value, by valuation method.

The different levels have been defined as follows:

- Level 1 : Quoted prices in active markets for identical assets and liabilities;
- Level 2 : Observable inputs ; and
- Level 3 : Unobservable inputs

The Company held the following financial assets at fair value;

	Level 1	Level 2	Level 3	Total
	Rupees ('000)			
December 31, 2016				
Short term investments:				
Investment in mutual funds at fair value through profit or loss	517,212	-	-	517,212

Three month period ended		Six month period ended	
December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
Rupees ('000)		Rupees ('000)	

22. TRANSACTIONS WITH RELATED PARTIES

Associated companies

Purchase of petroleum products	15,155,365	19,771,660	32,488,897	40,223,448
Sale of petroleum products	2,258,299	2,053,466	4,423,026	4,403,061
Commission and handling income	202,263	187,414	376,728	361,980
Mark-up earned on delayed payments	66,668	40,971	123,303	93,091
Late payment charges	64,103	41,978	118,515	70,300
Administrative services expense	72,475	50,223	131,719	105,534
Dividend paid to associated companies	1,653,567	1,455,139	1,653,567	1,455,139
Dividend received from associated companies	23,153	15,157	23,153	15,157

Other related parties

Remuneration of Chief Executive and key management personnel including benefits and perquisites	22,429	29,527	39,881	40,865
Contribution to staff retirement benefits plans				
APL Employees provident fund	2,769	2,355	5,389	4,832
APL Gratuity fund	2,249	2,031	4,501	4,130
Workers' profit participation fund	82,998	73,112	198,686	124,558

**23. SEGMENT REPORTING**

23.1 As described in note 1 to this condensed interim financial information the Company markets petroleum products. Revenue from external customers for products of the Company are as follows:

Product	Three month period ended		Six month period ended	
	December 31, 2016	December 31, 2015	December 31, 2016	December 31, 2015
	Rupees ('000)		Rupees ('000)	
High Speed Diesel	15,739,417	18,496,015	31,525,317	36,774,371
Premier Motor Gasoline	10,808,654	9,389,198	23,446,859	18,206,354
Furnace Fuel Oil	6,514,778	6,133,355	13,027,854	13,771,649
Bitumen	2,986,197	3,906,581	5,795,768	7,626,967
Others	1,321,195	1,402,617	2,558,404	2,864,819
	37,370,241	39,327,766	76,354,202	79,244,160

23.2 There is no single external customer of the Company whose revenue amounts to 10% or more of the Company's total revenue during the six month period ended December 31, 2016.

24. FINANCIAL RISK MANAGEMENT

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements for the year ended June 30, 2016.

25. DATE OF AUTHORISATION FOR ISSUE

25.1 Non-adjusting event after the balance sheet date

The Board of Directors in its meeting held on January 27, 2017 has declared an interim cash dividend @ Rs 15 per share, amounting to Rs 1,244,160 thousand for the year ending June 30, 2017.

25.2 This condensed interim financial information was authorised for issue by the Board of Directors of the Company on January 27, 2017.

Chief Executive

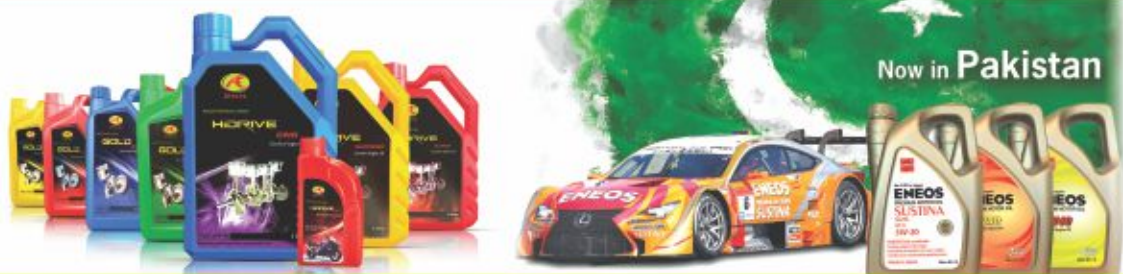
Director

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Attock

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